

ORIGINAL

OPEN MEETING



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MEMORANDUM

Arizona Corporation Commission

DOCKETED

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TO: THE COMMISSION

DEC 24 2015

2015 DEC 24 P 1:21

FROM: Utilities Division

DOCKETED BY

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AZ CORP COMMISSION  
DOCKET CONTROL

DATE: December 24, 2015

RE: IN THE MATTER OF THE JOINT APPLICATION OF FIRST COMMUNICATIONS, LLC AND COMCAST PHONE OF ARIZONA, LLC FOR APPROVAL OF THE TRANSFER OF CUSTOMER BASE. (DOCKET NOS. T-20473A-15-0408 AND T-04293A-15-0408)

INTRODUCTION

On December 8, 2015, First Communications, LLC ("First Communications") and Comcast Phone of Arizona, LLC ("Comcast Phone"), together the Applicants ("Applicants"), filed a joint application requesting approval from the Arizona Corporation Commission ("Commission") for a transaction involving the transfer of certain Comcast Phone customers to First Communications. Additionally, First Communications requests a waiver of Arizona Administrative Code ("A.A.C") R14-2-1901 to -1913, the "Slamming Rules", in connection with the transfer of the Comcast Phone customers in Arizona to First Communications.

In support of this filing, Applicants provide the following information.

DESCRIPTION OF THE APPLICANTS

A. *First Communications, LLC*

First Communications is an Ohio limited liability company with its principle place of business located at 3340 West Market Street, Akron, Ohio, 44333. First Communications is a wholly owned subsidiary of Summit Data Services, Inc., an Ohio corporation. In Arizona, First Communications is authorized to provide competitive resold interexchange telecommunications services pursuant to Commission Decision No. 69419, dated April 16, 2007, and competitive resold local exchange telecommunications services pursuant to Commission Decision No. 70750, dated February 6, 2009.

B. *Comcast Phone of Arizona, LLC*

Comcast Phone is a Delaware limited liability company with its principle place of business located at One Comcast Center, Philadelphia, Pennsylvania, 19103 and with an Arizona office located at 8251 North Cortaro Road, Tucson, Arizona, 85743. Comcast Phone is an indirect wholly owned subsidiary of Comcast Corporation. In Arizona, pursuant to Commission Decision No. 69408, dated April 16, 2007, Comcast Phone is authorized to provide competitive resold local

exchange and interexchange and facilities-based local exchange and interexchange telecommunication services.

## THE PROPOSED TRANSACTION

The Applicants state on November 17, 2015, Comcast Cable Communications, LLC, a subsidiary of Comcast Corporation, on behalf of itself and its affiliates, including Comcast Phone, entered into an Asset Purchase Agreement ("Agreement") with First Communications. Pursuant to the Agreement, the Applicants propose to assign resold interexchange business customers in Arizona, including the related account data, databases and customer records needed to support the provision of telecommunications services to those customers, from Comcast Phone to First Communications ("the Transaction").

As a result of the Transaction, First Communications will replace Comcast Phone as the service provider to the affected customers. Following the proposed Transaction, the affected customers will receive service from First Communications at the same rates, terms and conditions as currently provided by Comcast Phone.

## STAFF'S ANALYSIS

### *Request for Waiver of Slamming Rules*

First Communications seeks a waiver of Article 19 - Consumer Protections for Unauthorized Carrier Changes (A.A.C. R14-2-1901 to -1913), the Slamming Rules, for the transfer of ten (10) business long distance customers in Arizona. Pursuant to 47 C.F.R. § 64.1120(e)(3) of the Federal Communications Commission's rules, on November 25, 2015, a written notice of the transfer was provided to Comcast Phone customers via First Class United States mail. A copy of the draft notice was provided as an Exhibit to the Application.

Staff has reviewed the notice that was sent to the affected customers. The notice informs customers that the rates, terms and conditions of service will not change as a result of the proposed Transaction and informs customers that they may subscribe to an alternative telecommunications service provider of their choice. The Applicants also state in their application that affected customers will continue to receive the same services they currently receive and that the transfer is designed to be seamless to those customers. Given the nature of this Transaction and the notice to the affected customers, Staff believes the Commission's Slamming Rules should be waived in this matter.

### *Complaints and Compliance*

The Compliance Section of the Utilities Division reports the Applicants are in compliance. The Consumer Services Section of the Utilities Division reports that from January 1, 2012 to December 15, 2015 there have been no complaints or opinions concerning Comcast Phone or First Communications. According to the Corporations Division, the Applicants are in good standing.

First Communications filed its 2014 Utilities Annual Report on April 15, 2015, Comcast Phone filed its on March 31, 2015.


### STAFF RECOMMENDATIONS

Staff recommends approval of the Application for First Communications to acquire the Arizona resold interexchange business customers of Comcast Phone.

Staff further recommends that approval be conditioned on the following:

- a. The Applicants provide notice to Docket Control within thirty (30) days following completion of the proposed transactions in this Application.
- b. That First Communications file an updated tariff, within thirty (30) days of the effective date of a Decision in this matter, to incorporate the rates, terms and conditions of service that were included in the tariff of Comcast Phone.

Based on the above, Staff also recommends First Communications be granted a waiver of A.A.C. R14-2-1901 et seq. in connection with the transfer of the aforementioned Comcast Phone customers in Arizona to First Communications.

*for*   
Thomas M. Broderick  
Director  
Utilities Division

TMB:MAC:red\RWG

ORIGINATOR: Matt Connolly

1                   **BEFORE THE ARIZONA CORPORATION COMMISSION**

2   SUSAN BITTER SMITH

Chairman

3   BOB STUMP

Commissioner

4   BOB BURNS

Commissioner

5   DOUG LITTLE

Commissioner

6   TOM FORESE

Commissioner

7  
8   IN THE MATTER OF THE JOINT  
9   APPLICATION OF FIRST  
10   COMMUNICATIONS, LLC AND COMCAST  
11   PHONE OF ARIZONA, LLC FOR  
12   APPROVAL OF THE TRANSFER OF  
13   CUSTOMER BASE

DOCKET NO. T-04293A-15-0408

T-20473A-15-0408

DECISION NO. \_\_\_\_\_

ORDER

13   Open Meeting  
14   January 12, 2016  
15   Phoenix, Arizona

15   BY THE COMMISSION:

16                   **FINDINGS OF FACT**

17           1.     On December 8, 2015, First Communications, LLC ("First Communications") and  
18   Comcast Phone of Arizona, LLC ("Comcast Phone"), together the Applicants ("Applicants"), filed a  
19   joint application requesting approval from the Arizona Corporation Commission ("Commission") for  
20   a transaction involving the transfer of certain Comcast Phone customers to First Communications.

21           2.     Additionally, First Communications requests a waiver of Arizona Administrative Code  
22   ("A.A.C") R14-2-1901 to -1913, the "Slamming Rules", in connection with the transfer of the  
23   Comcast Phone customers in Arizona to First Communications.

24           3.     In support of this filing, Applicants provide the following information.

25   **Description of the Applicants**

26   *First Communications, LLC*

27           4.     First Communications is an Ohio limited liability company with its principle place of  
28   business located at 3340 West Market Street, Akron, Ohio, 44333. First Communications is a wholly

1 owned subsidiary of Summit Data Services, Inc., an Ohio corporation. In Arizona, First  
2 Communications is authorized to provide competitive resold interexchange telecommunications  
3 services pursuant to Commission Decision No. 69419, dated April 16, 2007, and competitive resold  
4 local exchange telecommunications services pursuant to Commission Decision No. 70750, dated  
5 February 6, 2009.

6 *Comcast Phone of Arizona, LLC d/b/a CIMCO*

7 5. Comcast Phone is a Delaware limited liability company with its principle place of  
8 business located at One Comcast Center, Philadelphia, Pennsylvania, 19103 and with an Arizona  
9 office located at 8251 North Cortaro Road, Tucson, Arizona, 85743. Comcast Phone is an indirect  
10 wholly owned subsidiary of Comcast Corporation. In Arizona, pursuant to Commission Decision No.  
11 69408, dated April 16, 2007, Comcast Phone is authorized to provide competitive resold local  
12 exchange and interexchange and facilities-based local exchange and interexchange telecommunication  
13 services.

#### 14 **The Proposed Transaction**

15 6. The Applicants state on November 17, 2015, Comcast Cable Communications, LLC, a  
16 subsidiary of Comcast Corporation, on behalf of itself and its affiliates, including Comcast Phone,  
17 entered into an Asset Purchase Agreement ("Agreement") with First Communications. Pursuant to  
18 the Agreement, the Applicants propose to assign resold interexchange business customers in Arizona,  
19 including the related account data, databases and customer records needed to support the provision of  
20 telecommunications services to those customers, from Comcast Phone to First Communications ("the  
21 Transaction").

22 7. As a result of the Transaction, First Communications will replace Comcast Phone as  
23 the service provider to the affected customers. Following the proposed Transaction, the affected  
24 customers will receive service from First Communications at the same rates, terms and conditions as  
25 currently provided by Comcast Phone.

#### 26 **Request for Waiver of Slamming Rules**

27 8. First Communications seeks a waiver of Article 19 - Consumer Protections for  
28 Unauthorized Carrier Changes (A.A.C. R14-2-1901 to -1913), the Slamming Rules, for the transfer of

ten (10) business long distance customers in Arizona. Pursuant to 47 C.F.R. § 64.1120(e)(3) of the Federal Communications Commission's rules, on November 25, 2015, a written notice of the transfer was provided to Comcast Phone customers via First Class United States mail. A copy of the draft notice was provided as an Exhibit to the Application.

9. Staff has reviewed the notice sent to those affected customers. The notice informs customers that the rates, terms and conditions of service will not change as a result of the proposed Transaction and informs customers that they may subscribe to an alternative telecommunications service provider of their choice. The Applicants also state in their application that affected customers will continue to receive the same services they currently receive and that the transfer is designed to be seamless to those customers. Given the nature of this Transaction and the notice to the affected customers, Staff believes the Commission's Slamming Rules should be waived in this matter.

#### **Complaints and Compliance**

10. The Compliance Section of the Utilities Division reports the Applicants are in compliance. The Consumer Services Section of the Utilities Division reports that from January 1, 2012 to December 15, 2015 there have been no complaints or opinions concerning Comcast Phone or First Communications. According to the Corporations Division, the Applicants are in good standing. First Communications filed its 2014 Utilities Annual Report on April 15, 2015, Comcast Phone filed its on March 31, 2015.

#### **Staff Recommendations**

11. Staff recommends approval of the Application for First Communications to acquire the Arizona resold interexchange business customers of Comcast Phone.

12. Staff further recommends that approval be conditioned on the following:

- The Applicants provide notice to Docket Control within thirty (30) days following completion of the proposed transactions in this Application;
- That First Communications file an updated tariff, within thirty (30) days of the effective date of a Decision in this matter, to incorporate the rates, terms and conditions of service that were included in the tariff of Comcast Phone.

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13. Based on the above, Staff also recommends First Communications be granted a waiver of A.A.C. R14-2-1901, et seq. in connection with the transfer of the aforementioned Comcast Phone customers in Arizona to First Communications.

#### CONCLUSIONS OF LAW

1. First Communications, LLC and Comcast Phone of Arizona, LLC are public service corporations within the meaning of Article XV of the Arizona Constitution.

2. The Commission has jurisdiction over First Communications, LLC and Comcast Phone of Arizona, LLC and the subject matter of this filing.

3. The Commission, having reviewed the filing and Staff's Memorandum dated December 24, 2015, concludes that it is in the public interest to grant approval as proposed and discussed herein.

#### ORDER

IT IS THEREFORE ORDERED that the Joint Application of First Communications, LLC and Comcast Phone of Arizona, LLC for the transfer of the Arizona resold interexchange business customers of Comcast Phone of Arizona, LLC to First Communications, LLC is hereby approved as proposed and discussed herein.

IT IS FURTHER ORDERED that First Communications, LLC's request for a waiver of A.A.C. R14-2-1901 et seq. the Commission's Slamming Rules is hereby approved in conjunction with the proposed transaction.

IT IS FURTHER ORDERED that within thirty (30) days following the closing of the proposed transaction, First Communications, LLC and Comcast Phone of Arizona, LLC. shall inform the Commission, by filing an affidavit with Docket Control, that the transaction has closed and the proposed transfer has been consummated.

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1 IT IS FURTHER ORDERED that First Communications, LLC Communications file an  
2 updated tariff, within thirty (30) days of the effective date of a Decision in this matter, to incorporate  
3 the rates, terms and conditions of service that were included in the Comcast Phone of Arizona, LLC's  
4 tariff.

5 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

6  
7 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

8  
9  
10 CHAIRMAN

COMMISSIONER

11  
12 COMMISSIONER

COMMISSIONER

COMMISSIONER

13  
14 IN WITNESS WHEREOF, I, JODI JERICH, Executive  
15 Director of the Arizona Corporation Commission, have  
16 hereunto, set my hand and caused the official seal of this  
Commission to be affixed at the Capitol, in the City of  
Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

17  
18  
19 \_\_\_\_\_  
JODI JERICH  
EXECUTIVE DIRECTOR

20  
21 DISSENT: \_\_\_\_\_

22  
23 DISSENT: \_\_\_\_\_

24 TMB:MAC:red\RWG



1 SERVICE LIST FOR: FIRST COMMUNICATIONS, LLC AND COMCAST PHONE OF  
2 ARIZONA, LLC  
3 DOCKET NOS. T-20473A-15-0408 AND T-04293A-15-0408

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